Center for Immigration Studies

Backgrounder

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Flawed Assumptions Underlying Guestworker Programs

By Mark Krikorian

On January 7, 2004, President Bush announced his outline for a vast guestworker program that would be used to amnesty illegal aliens already in the United States as well as provide for the importation of new foreign workers.[1] In the extensive discussion of the proposal since then, there has been no detailed examination of the assumptions underlying this or any other guestworker proposal. This paper seeks to remedy that oversight, and will focus on Mexican immigration, since people from that country make up a majority of the illegal population. Although the debate has been centered on Mexicans, the president's plan would, of course, apply to all nationalities.

Assumption 1
Immigration is inevitable

The bedrock assumption underlying a guestworker program is that the flow of workers from Mexico and elsewhere is unstoppable — a natural phenomenon like the weather or the tides, which we are powerless to influence. Therefore, it is said, managing the flow in an orderly and lawful manner is preferable to the alternative.

On the surface, the flow of Mexican immigration may indeed seem inevitable; it is very large, rapidly growing, and spreading throughout the country. But a longer view shows that this flow has been created in large part by government policies, both in the United States and Mexico. And, government policy having created the migration flows, government policy can interrupt the flows, though a social phenomenon like this is naturally more difficult to stop than to start.

Migration is often discussed in terms of pushes and pulls — poverty, corruption, oppression, and general societal dysfunction impel people to leave their homelands, while high wages and expanded economic and social opportunities attract people to this country. While true, this analysis is incomplete because it overlooks the connection between the sending country and the receiving country.

No one wakes up in Timbuktu and says, "Today I will move to Milwaukee!" — migration takes place by way of networks of relatives, friends, acquaintances, and fellow countrymen, and few people immigrate to a place where these connections are absent. Consider two countries on the other side of the planet — the Philippines and Indonesia. Both have large, poor populations, they are neighbors and share many cultural similarities, yet there are more than one million Filipino immigrants in the United States and only a handful of Indonesians, and annual immigration from the Philippines is routinely 40-50 times greater than immigration from Indonesia. Why? Because the ties between the United States and the Philippines are numerous and deep, our having colonized the country for 50 years and maintained an extensive military presence there

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for another 50 years. On the other hand, the United States has very few ties to Indonesia, whose people tend to migrate to the Netherlands, its former colonial ruler.

At the end of the Mexican War in 1848, there were only a small number of Mexican colonists living in the Southwest, many of whom soon returned to Mexico with the Mexican government's assistance. The migration of Mexican workers began in a small way with the construction of the railroads beginning in the 1870s and later with the expansion of other industries. But the process of mass migration northward to the United States, and the development of the networks which made further immigration possible, began in earnest during the Mexican Revolution of 1910-1920. The Cristero rebellion of the late 1920s was the last major armed conflict in Mexico and was centered in the states of west-central Mexico; partly to prevent further trouble, the newly consolidated Mexico City regime adopted a policy of encouraging emigration from these very states. The power of government-fostered migration networks is clear from the fact that even today these same states account for a disproportionate share of Mexican immigrants to the United States.

On the U.S. side, federal policies that established migration networks between the United States and Mexico arguably began in the 1920s, when Congress specifically excluded the Western Hemisphere from the newly enacted immigration caps so as not to limit the flow of Mexican immigrants. Then in 1942, the Bracero Program to import Mexican farmworkers was started under the cover of World War II, and it continued until 1964. About 4.6 million contracts were issued to Mexican workers (many were repeat contracts for workers who returned several times, so that an estimated one to two million individuals participated). By creating vast new networks connecting the United States and Mexico, the Bracero Program launched the mass illegal immigration we are still experiencing today. Illegal immigration networks were reinforced by the IRCA amnesty of 1986, which granted legal status to nearly three million illegal aliens, at least two-thirds of whom were Mexican. This new legal status conferred by the federal government generated even more immigration, legal and illegal, as confirmed by a 2000 INS report.[2] And the federal government's effective abandonment of the ban on hiring illegal aliens has served to further promote immigration from Mexico.

As a result of this series of government decisions, the flow of Mexican immigration to the United States is quite large. The Mexican immigrant population ballooned from less than 800,000 in 1970 to nearly eight million in 2000, and is close to 10 million today, most having arrived since 1990.[3] This rapid growth has created a snowball effect through the reinforcement of old networks and the establishment of new ones. If present trends continue, within a few years Mexico will have sent more immigrants to the United States in 100 years than Germany (currently the leading historical source of immigrants) has in more than 200 years.

Far from being an inevitable process with deep historical roots, then, mass immigration from Mexico is a relatively recent phenomenon created by government policies. The same is true for most other sources of immigration to the United States, such as Cuba, India, Central America, Russia, Vietnam, and elsewhere.

Assumption 2
The poor are overpaid

The objective of a guestworker program is to secure workers from outside the country because current residents aren't seeking out the jobs available at the wages offered. Ordinarily in a free-market economy, when a prospective buyer can't find sellers to trade with, he increases what he is willing to pay until a seller comes forward. With regard to employment, if workers are not responding in sufficient numbers to job offers, employers offer more money, or additional compensation in some other form, in order to purchase their labor.

Assuming for the sake of argument that a labor shortage exists at the bottom of the labor market, one needs to ask whether Congress should interfere with the natural workings of that market to prevent wage increases. In other words, should Congress redirect the Invisible Hand? A guestworker program would do precisely that. By artificially increasing the supply of low-skilled workers, it would short-circuit any market incentives for employers to increase the wages and benefits, or improve working conditions, for entry-level blue-collar workers.

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Support for a guestworker program, then, must be based on the assumption that the poor are overpaid and do not warrant increased compensation. Is this true? It would seem not. The inflation-adjusted wages of full-time workers with less than a high school education actually declined more than 7 percent during the 1990s. Given that at least three-quarters of Mexican illegals lack a high school education, it is likely that guestworkers would be competing with the very people who experienced this drop in wages. What's more, high-school dropouts are already the poorest workers in our country, so the drop in wages caused by additional imported labor, or the rise in wages caused by the lack of such labor, would have a much greater impact on their quality of life.

The drop in wages has been even more pronounced among the subset of the low-skilled workforce which would be most immediately affected by a guestworker program — farmworkers. According to a March 2000 report from the Department of Labor, the real wages of farmworkers fell from $6.89 per hour in 1989 to $6.18 per hour in 1998 — a drop of more than 10 percent.[4] A new guestworker program would continue this downward trend in farmworker wages.

And wages aren't the only indicator. Of full-time workers without a high-school diploma, fully 54 percent are not offered health insurance by their employers. There are signs, however, that this trend may be shifting. Because of difficulty in recruiting and retaining low-skilled workers at the end of the 1990s expansion, the fast food industry, for instance, began to offer medical and dental insurance. What's more, these employers, such as McDonald's, Burger King, and Taco Bell, began to offer 401(k) plans, stock options, home and car insurance, etc.[5] The purpose of a guestworker program is to slow this kind of trend by removing the natural incentives for businesses to expand compensation. Passage of a guestworker program, then, would reflect the sense of Congress that the poor do not require the better pay that the market would otherwise begin to offer them in the absence of unskilled foreign labor.

Assumption 3
Jobs Americans won't do

Another premise of a guestworker program is that even increased wages and benefits will not attract sufficient workers to many low-skilled occupations. In other words, there are jobs Americans simply won't do, and foreigners, either as illegal aliens or as guestworkers, must be imported to do them.

It seems very likely that most jobs held by Mexican immigrants are jobs that would not interest the majority of Americans, because they are generally low-paying jobs done by unskilled workers. However, it is also clear that there are millions of Americans who are already doing precisely these kinds of jobs. In March 2003, there were 8.8 million native-born full-time workers without a high-school education, 1.3 million native-born dropouts unemployed, and a further 6.8 million not even in the work force.[6] There is a good deal of evidence that these workers are in direct competition with Mexican immigrants — i.e., these are jobs that Americans will do and are doing already.

With the exception of agricultural labor, native-born and Mexican-born workers have a similar distribution across occupations. Thus, natives who lack a high school education and Mexican immigrants appear to be doing the same kind of jobs and are therefore in competition with one another. Another way to think about whether Mexican immigrants compete with unskilled native-born workers is to look at their median wages. If Mexican immigrants were employed in jobs that offered a very different level of remuneration than native-born dropouts, then it would imply that the two groups do very different kinds of work. But, in fact, the median wage of Mexican immigrants and native-born high school dropouts is very similar; the median weekly wage for native-born high school dropouts who work full time is $350, while the median weekly wage for full-time Mexican immigrants is $326. Like their distribution across occupations, the wages of the two groups seem to indicate that they hold similar jobs.

Other research has shown the same thing — that unskilled immigrants and natives compete for the same jobs. A report prepared by the Bureau of Labor Statistics concluded that native-born and immigrant high school dropouts are almost perfect substitutes for one another in the labor market.[7] That is, they compete directly with one another for the same jobs. In a paper published by the Brookings Institution in 1997, Harvard economists George Borjas, Richard Freeman,

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"To insist that a free trade program is logically or practically incomplete without free migration is either disingenuous or stupid. Free trade may and should raise living standards everywhere... Free migration would level standards, perhaps without raising them anywhere." -- Henry Simons, in *Economic Policy for a Free Society*.

and Lawrence Katz also found that natives and immigrants who lack a high school education tend to hold similar jobs and concluded that immigration had a significant adverse impact on the wages of natives without a high school education.[8] And a National Academy of Sciences report also came to the same conclusion — unskilled natives and immigrants tend to compete with one another for the same jobs.[9]

Assumption 4
Free trade requires open immigration

President Vicente Fox of Mexico said in 2001, at the beginning of the discussions about a guestworker program, "When we think of 2025, there is not going to be a border. There will be a free movement of people just like the free movement of goods."[10] This moral equivalence of trade and immigration is another assumption underlying a guestworker program.

But this equivalence can only be true if people are no more than factors of production. Trade and immigration are, however, fundamentally different; while an imported good can be discarded when it has outlived its usefulness, an immigrant is a human being, created in the image of God, and thus more than merely a labor input.

The desire to benefit from a person's labor without acknowledging his humanity is to be expected among employers, and has deep roots. Henry Ford once asked (though not in connection to immigration), "How come when I need a pair of hands in the factory, I always get a human being as well?" Likewise, after it became clear that Germany's post-war guestworker program had failed, one observer noted ruefully, "We asked for workers, but they sent us men."

Now there is no question that trade and immigration are similar in certain ways. Both alter the supply of labor and change the mix of skills in the economy. Whether the workers come or only the goods they have produced, the effective supply of some kinds of labor relative to others is increased. When we import goods, for example, we are importing both the unskilled labor that went into assembling the product as well as the skilled labor that went into designing it. To the extent that immigrants possess skills that are different from those of natives, they too will alter the mix of labor in the economy.

Whatever the similarities, it is the differences between trade and immigration that are most consequential. The moral issue alluded to above is the source of these differences — people are not objects. The great student of management, Peter Drucker, in his 1954 book *The Practice of Management*, acknowledged this, recommending "consideration of the human resource as human beings having, unlike any other resource, personality, citizenship, control over whether they work, how much and how well..." From this difference stem others; for instance that immigration, unlike trade, alters the supply of labor permanently, not just in the year that a product is imported. In other words, with trade, a society can quickly alter the mix of labor it consumes to suit its changing tastes and needs, whereas immigration is forever.

The difference between trade and immigration was remarked upon by Henry Simons, the pioneer advocate of the benefits of free market economics at the University of Chicago. He wrote in his 1948 book, *Economic Policy for a Free Society*, that "Wholly free immigration, however, is neither attainable politically nor desirable. To insist that a free trade program is logically or practically incomplete without free migration is either disingenuous or stupid. Free trade may and should raise living standards everywhere ... Free migration would level standards, perhaps without raising them anywhere."[11]

Or, in the words of economist Hans-Hermann Hoppe, editor of the *Journal of Libertarian Studies*: "free trade and restricted immigration are not only perfectly consistent, but even mutually reinforcing policies."[12]

Assumption 5
Guestworkers will go home

The distinguishing feature of a guestworker program, as indicated by its name, is that the "guests" are expected to return home rather than settle permanently. This is an attempt to make the importation of people operate more like the importation of goods, such that only the product of their labor stays behind. The Bush proposal clearly has this intention; the president said

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during his January 7th speech that, "This program expects temporary workers to return permanently to their home countries after their period of work in the United States has expired." It includes incentives toward that end, such as "tax-preferred savings accounts" and totalization agreements which would apply U.S. work experience toward qualifying for the home country's pension system.

But history conclusively shows that such efforts are in vain and that the "guests" stay long after the party is over — precisely because people are not things, and have their own plans and purposes. The Bracero program from Mexico, for instance, was supposed to be a temporary expedient during a wartime emergency. Yet once farmers became addicted to it, they devoted resources to lobbying to keep it rather than to mechanization and innovation. Thus the "wartime" measure lasted for 22 years, until it was ended in 1964.[13]

Not only did the program last longer than intended, but it also dramatically increased Mexican legal and illegal immigration; during the 22 years the program lasted, there were a total of 4.6 million Bracero entries, but also 5.3 million illegal-alien apprehensions and more than half a million Mexican legal immigrants. Rather than work temporarily and go home, large numbers of Mexican guestworkers over time settled and served as magnets for further immigration, sparking one of the largest migrations in human history.

Overseas the story is the same. Germany has become a "reluctant land of immigration" because of its program for guestworkers from Turkey, Yugoslavia, and Italy. The number of these workers peaked in 1973 at 2.6 million, when the oil crisis prompted the German government to stop recruiting guestworkers. The government expected that the now-unemployed guestworkers already in Germany would leave, because of back-and-forth migration patterns like those alleged to exist for Mexican workers in the Southwest. Instead, the Turks and other workers stayed, figuring correctly that neither job prospects nor the social safety net were any better in their home countries. What's more, now that they were established in Germany, they had their families join them, leading to an 82 percent increase in the number of foreigners in Germany between 1973 and 1999.

This could not have been otherwise. Once employers come to depend on foreign workers, they cease looking for alternatives, and foreign workers come to depend on their guestworker wages to support their families. In addition, guestworker programs distort the economy, as employers factor in the presence of workers in their future plans, vastly increasing the likelihood that the "guests" will move in for good.

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Assumption 6
No significant cost to taxpayers

The permanent immigration that always accompanies guestworker programs is relevant in examining another implicit assumption of supporters: That there will be no large fiscal cost to such a program.

In fact, because of the inevitable large-scale settlement of guestworkers and their families, friends, acquaintances, and fellow countrymen, the long-term budgetary fallout of a guestworker program would likely be enormous. The modern American economy increasingly rewards skilled workers, while offering very limited opportunities to the unskilled, a category that would include most guestworkers and those who follow them into the United States. The best way to gauge the fiscal reverberations of a guestworker program is to look at the characteristics of current Mexican immigrants, since many of them who are now illegal would participate in such a program and because they are similar to the new guestworkers who would arrive from Mexico.

Due to their low levels of education, Mexican immigrants experience limited economic mobility in the United States.[14] The average income of Mexican immigrants is less than half that of natives. While their income rises steadily the longer they live in the United States, even long-time Mexican immigrants do not come close to closing the gap with natives. According to data from the Census Bureau's March 2000 Current Population Survey, more than half of legal Mexican immigrants who have been in the United States for more than 20 years and their U.S.-born children (under age 18) live in or near poverty.

This poverty guarantees high levels of welfare use. Even after welfare reform, welfare use among

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Mexican immigrant households remains much higher than that of natives. Based on Center for Immigration Studies analysis of the same Census Bureau survey, an estimated 33.9 percent of households headed by a legal Mexican immigrant and 24.9 percent headed by an illegal Mexican immigrant used at least one major welfare program. In contrast, 14.8 percent of native households used welfare. Moreover, Mexican immigrant welfare use remains much higher than that of natives even among those who have lived in the United for many years.

Also, more than half (52.6 percent) of Mexican immigrants do not have health insurance, compared to 13.5 percent of natives; Mexican immigration by itself accounted for 3.3 million or 29 percent of the growth in the size of the nation's total uninsured population from 1987 to 2000. Even among legal Mexican immigrants who have lived in the country for more than 20 years, more than one-third are still uninsured.

It is unlikely that our society would want, or be able, to deny public services to the millions of guestworkers and those who will follow them. Much of the 1996 welfare reform that applied specifically to immigrants has been rolled back, and even those portions that remain have been almost completely negated by state decisions to provide benefits.[15] Congress expressed an unwillingness in 1996 even to give states the option of denying public education to illegal-alien children — so there would seem to be little likelihood that even a suspension of automatic birthright citizenship for children born here to guestworkers (as has been suggested by some) would have any effect in limiting their use of public services. There is, in other words, no way to avoid the high cost of cheap labor.

Assumption 7
Foreign labor won't slow innovation

Another assumption that underlies a guestworker program is that the infusion of low-skilled foreign labor will not retard the process of technological innovation and increasing productivity. Unfortunately, elementary economics tells us that capital is likely to be substituted for labor only when the price of labor rises, something a guestworker program is specifically intended to prevent. A 2001 report by the Federal Reserve Bank of Boston highlights this problem by warning that a new wave of low-skilled immigrants over the course of this century may slow growth in U.S. productivity.[16]

That this is so should not be a surprise. Julian Simon, in his 1981 classic, *The Ultimate Resource*, wrote about how scarcity leads to innovation:

> *It is all-important to recognize that discoveries of improved methods and of substitute products are not just luck. They happen in response to scarcity — a rise in cost. Even after a discovery is made, there is a good chance that it will not be put into operation until there is need for it due to rising cost. This point is important: Scarcity and technological advance are not two unrelated competitors in a Malthusian race; rather, each influences the other.*[17]

As it is for copper or oil, this fact is true also for labor; as wages have risen over time, innovators have devised ways of substituting capital for labor, increasing productivity to the benefit of all. The converse, of course, is also true; the artificial superabundance of a resource will tend to remove much of the incentive for innovation.

Stagnating innovation caused by excessive immigration is perhaps most apparent in the most immigrant-dependent activity — the harvest of fresh fruit and vegetables.[18] The period from 1960 to 1975 (roughly from the end of the "Bracero" program, which imported Mexican farmworkers, to the beginning of the mass illegal immigration we are still experiencing today) was a period of considerable agricultural mechanization. Although during hearings on the proposed termination of the Bracero Program in the early 1960s, California farmers claimed that "the use of braceros is absolutely essential to the survival of the tomato industry," the termination of the program prompted mechanization which caused a quintupling of production for tomatoes grown for processing, an 89 percent drop in demand for harvest labor, and a fall in real prices.[19]

But a continuing increase in the acreage and number of crops harvested mechanically did not materialize as expected, in large part because the supply of workers remained artificially large due to the growing illegal immigration we were politically unwilling to stop.

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The General Accounting Office reported recently that the backlog of pending immigration applications of various kinds was at 6.2 million at the end of FY 2003, up 59 percent from the beginning of FY 2001.

An example of a productivity improvement that "will not be put into operation until there is need for it due to rising cost," as Simon said, is in raisin grapes.[20] The production of raisins in California's Central Valley is one of the most labor-intensive activities in North America. Conventional methods require bunches of grapes to be cut by hand, manually placed in a tray for drying, manually turned, manually collected.

But starting in the 1950s in Australia (where there was no large supply of foreign farm labor), farmers were compelled by circumstances to develop a laborsaving method called "dried-on-the-vine" production. This involves growing the grapevines on trellises, then, when the grapes are ready, cutting the base of the vine instead of cutting each bunch of grapes individually. This new method radically reduces labor demand at harvest time and increases yield per acre by up to 200 percent. But this high-productivity, innovative method of production has spread very slowly in the United States because the mass availability of foreign workers has served as a disincentive to farmers to make the necessary capital investment.

We've seen this phenomenon in manufacturing, as well. A 1995 report on Southern California's apparel industry, prepared by Southern California Edison, warned of the danger to the industry of reliance on low-cost foreign labor:

> *In Southern California, apparel productivity gains have been made through slow growth in wages. While a large, low-cost labor pool has been a boon to apparel production in the past, overreliance on relatively low-cost sources of labor may now cost the industry dearly. The fact is, Southern California has fallen behind both domestic and international competitors,* even some of its lowest labor cost competitors, *in applying the array of production and communications technologies available to the industry (such as computer aided design and electronic data interchange).*[21]

Conversely, homebuilders, who are still less reliant on foreign workers than some other industries, have begun to modernize construction techniques. The higher cost of labor means that "In the long run, we'll see a move toward homes built in factories," as Gopal Ahluwalia, director of research at the National Association of Home Builders, told the *Washington Post* several years ago.[22] But as immigrants increasingly move into this industry, we can expect such innovation to spread much more slowly than it would otherwise.

And, despite the protestations of employers, a tight low-skilled labor market can spur modernization even in the service sector: automated switches have replaced most telephone operators, continuous-batch washing machines reduce labor demand for hotels, and "fast-casual" restaurants need much less staff than full-service ones. As unlikely as it might seem, many veterans' hospitals are now using mobile robots to ferry medicines from their pharmacies to various nurse's stations, eliminating the need for a worker to perform that task.[23] And devices like automatic vacuum cleaners, lawn mowers, and pool cleaners are increasingly available to consumers. Keeping down low-skilled labor costs through the president's vast new guestworker plan would stifle this ongoing modernization process.

Assumption 8
It is administratively feasible

In any large government program, plans on paper must translate into policies on the ground. Any guestworker program would require extensive background checks of prospective workers as well as simple management of the program — checking arrivals, tracking whether a worker is still employed, enforcing the departure of those who are supposed to leave. Supporters of the president's proposal have claimed that administering the guestworker program would not be a problem.

But it is not explained how the immigration bureaus within the Department of Homeland Security are supposed to be able to accomplish these goals. The service and enforcement bureaus are already groaning under enormous workloads. The General Accounting Office reported recently that the backlog of pending immigration applications of various kinds was at 6.2 million at the end of FY 2003, up 59 percent from the beginning of FY 2001.[24]

What's more, the immigration bureaus are implementing vast new tracking systems for foreign students and for visitors in general. The crush of work has been so severe, that many important statutory deadlines have been missed.[25]

And the context for all this is a newly created Department of Homeland Security, which incorporates pieces of the old Immigration and Naturalization Ser-

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vice and many other agencies in various combinations. The reorganization process is still very new (the department having coalesced only in March 2003), so how could a vast new guestworker program be managed in the midst of a thoroughgoing institutional overhaul?

Assumption 9
It aids national security

The result of overloading administrative agencies with the vast and varied new responsibilities of a guestworker program would be massive fraud, as overworked bureaucrats start hurrying people through the system, usually with political encouragement. A January 2002 GAO report addressed the consequences of such administrative overload.[26] It found that the crush of work has created an organizational culture in the immigration services bureau where "staff are rewarded for the timely handling of petitions rather than for careful scrutiny of their merits." The pressure to move things through the system has led to "rampant" and "pervasive" fraud, with one official estimating that 20 to 30 percent of all applications involve fraud. The GAO concluded that "the goal of providing immigration benefits in a timely manner to those who are legally entitled to them may conflict with the goal of preserving the integrity of the legal immigration system."

The amnesty included in the Immigration Reform and Control Act (IRCA) of 1986 is case in point. As Paul Virtue, then general counsel of the INS, testified before Congress in 1999, "the provisions of IRCA were subject to widespread abuse, especially the Special Agricultural Worker (SAW) program."[27] There were nearly 1.3 million applications for the SAW amnesty — double the total number of foreign farm workers usually employed in the United States in any given year, and up to six times as many applicants as congressional sponsors of the scheme assured skeptics would apply. INS officials told *The New York Times* that the majority of applicants in certain offices were clearly fraudulent, but that they were approved anyway, since the INS didn't have the means to prove the fraud.[28] Some women came to interviews with long, painted nails, while others claimed to have picked strawberries off trees. One woman in New Jersey who owned a five-acre garden plot certified that more than 1,000 illegal aliens had worked on her land.

This is a problem not just because it offends our sensibilities but because ineligible people will get legal status — people like Mahmud Abouhalima, a cabbie in New York, who got amnesty as a farmworker

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under the 1986 law and went on to help lead the first World Trade Center attack. Having an illegal-alien terrorist in your country is bad; having one with a green card is far worse, since he can work and travel freely, as Abouhalima did, going to Afghanistan to receive terrorist training only after he got amnesty. And don't fall for the claim that illegal aliens who have snuck across the Mexican border yearn only to wash our dishes. For example, Iraqi-born smuggler George Tajirian pled guilty in 2001 to forging an alliance with a Mexican immigration officer to smuggle "Palestinian, Jordanian, Syrian, Iraqi, Yemeni, and other illegal aliens through Mexico and into the United States."[29] And late last year the former Mexican consul in Beirut was arrested for her involvement in a similar enterprise.[30] Another amnesty is guaranteed — *guaranteed* — to give legal residence to a future terrorist.

Assumption 10
There are no alternatives

Even though all the above assumptions underlying a guestworker program are groundless, the final premise of such a program could trump all these concerns: There is no acceptable alternative. In other words, the migration networks from Mexico and elsewhere are so entrenched and the industries so addicted to foreign labor that there is no longer any way to stop the flow of workers without wrecking our economy and convulsing our society. This view was expressed succinctly by a Hispanic professor in Texas who said, "The mission to Mars is probably easier than the attempt to control the border."[31]

Fortunately for America, controlling immigration is not rocket science.

Rather than accept as given that U.S. and Mexican interests overlap in this area, sound policy making must start from the realization that the interests of our two countries regarding immigration are diametrically opposed. Our national interest requires that unskilled immigration, from Mexico and elsewhere, be reduced as much as possible. The flow of illegal aliens from Mexico must be interrupted and ended, not institutionalized through a guestworker

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The enforcement approach we must adopt is clear — put pressure on illegal immigrants so that more of them leave and fewer new ones come, and we will see the illegal population start to decline, allowing the problem to shrink from today's crisis to a manageable nuisance.

program. And there would be very little economic impact of such a move; Center for Immigration Studies analysis finds that Mexican immigration in the 1990s held prices down by, at most, two-tenths of 1 percent.[32] As unlikely as this seems, it is possible because unskilled labor accounts for such a tiny share of economic output.

As for actually stopping illegal immigration, we know how, and need only muster the necessary will and resources. The alternative to amnesty is not mass roundups but attrition — squeezing the illegal population so that it declines over time. The government estimates that each year, some 400,000 people leave the settled illegal-alien population, either by returning home voluntarily, being deported, or getting a green card. The problem is that 800,000 *new* illegal aliens settle here each year, more than replacing the outflow.

The enforcement approach we must adopt, then, is clear — put pressure on illegal immigrants so that more of them leave and fewer new ones come, and we will see the illegal population start to decline, allowing the problem, over time, to shrink from today's crisis to a manageable nuisance.

Fixing the Problem

Employer Sanctions. Congress in 1986 finally prohibited the employment of illegal aliens in an effort to turn off the magnet of jobs attracting illegal aliens. But enforcement was lackluster at best and, in response to political pressure, the INS has in recent years essentially discontinued worksite employer sanctions enforcement. In FY 2002, only 13 employers were fined for hiring illegal aliens.[33] To make employer sanctions work requires a number of steps, including: A large, permanent increase in the number of investigators doing worksite enforcement and prosecutors pursuing lawbreaking employers; a national computerized system that allows employers to verify the work-eligibility of new hires (there is an ongoing pilot program which has been well-received by employers); and much stiffer fines and jail time for employers caught knowingly hiring illegal aliens.

Other Interior Enforcement. Following the model of employer sanctions, we need to cut off other important choke points to illegal aliens by requiring verification of legal status. These should be events that are central to modern life but which do not take place so frequently that turning them into such choke points would bog down society's business. For instance, legal status should be checked when obtaining drivers licenses, bank accounts, mortgages (or perhaps any loan above $10,000, similar to anti-money-laundering rules), enrolling in higher education, etc. Likewise, the Social Security Administration and the Internal Revenue Service must be required to maintain ongoing, systemic cooperation with immigration authorities to identify people using fraudulent or stolen identities. Finally, legislation like the CLEAR Act is needed, in order to strengthen cooperation between federal immigration authorities and state and local police.

Border Enforcement. Despite significant increases in funding in recent years, efforts at the border are still inadequate. At any given time, there are perhaps 1,800 Border Patrol agents along more than 2,000 miles of border with Mexico. The Border Patrol needs to be at least double its current size and the border needs a system of fences and other barriers to help the agents in their work.

Legal Immigration. While jobs are one of the magnets that draw illegal immigrants to the United States, the other, equally important, magnet is family and friends, the networks that make it possible to immigrate illegally in search of work in the first place. And these networks are created and nurtured by ongoing legal immigration. Communities of recent immigrants serve as magnets and incubators for illegal immigration, providing housing, jobs, and entree to America that would otherwise be very difficult to secure. And with at least one-fourth of each year's "legal" immigration made up of illegal aliens using the system to launder their status, the immigration system has evolved into a permanent, rolling amnesty for illegals. Limiting family immigration to the husbands, wives, and young children of American citizens would be especially useful in stemming illegal immigration since it would serve to end chain migration. With the end of chain migration, the networks that drive illegal immigration would

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gradually atrophy, as immigrants here had less frequent and intimate contact with their home communities, moved to different neighborhoods, and assimilated into the American mainstream.

Transitional Assistance. Finally, Congress can help allay the concerns of employers who have become dependant on unskilled foreign labor through transitional funding for research and development into new labor-saving technologies. This would be especially fruitful in agriculture, since the U.S. Department of Agriculture banned federally funded mechanization research during the Carter Administration. By promoting this kind of research — whether in agriculture, construction, light manufacturing, or elsewhere — the federal government can help reduce the demand for labor which it fostered by permitting and encouraging unskilled immigration in the first place.

This examination of the assumptions underlying a guestworker program demonstrates that they are without foundation. Congress can use this information to finally bring an end to the period of mass illegal immigration — or it can supercharge illegal immigration by enacting a guestworker program.

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Backgrounder

Flawed Assumptions Underlying Guestworker Programs

By Mark Krikorian

On January 7, 2004, President Bush announced his outline for a vast guestworker program that would be used to amnesty illegal aliens already in the United States as well as provide for the importation of new foreign workers. In the extensive discussion of the proposal since then, there has been no detailed examination of the assumptions underlying this or any other guestworker proposal. This paper seeks to remedy that oversight, and will focus on Mexican immigration, since people from that country make up a majority of the illegal population. Although the debate has been centered on Mexicans, the president's plan would, of course, apply to all nationalities.

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